

Source criticism, corporate history and corporate social responsibility:**Revisiting the history of Cadbury****EGOS 2015 short paper**

Sub-theme 08: (SWG) History, Institutions and Institutional Change

Michael Rowlinson (Queen Mary University of London)m.rowlinson@qmul.ac.uk**John Hassard (Manchester Business School)** john.hassard@mbs.ac.uk**& Chris Smith (Royal Holloway University of London)** Chris.Smith@rhul.ac.uk

The publication of an historical article on corporate social responsibility (CSR) in a leading accounting journal (Parker, 2014) provides us with an opportunity to examine the problematic treatment of historiography and the reliance on secondary sources in corporate history. Accounting and organization studies would undoubtedly benefit from considering historical examples of responsible business behavior. However, Parker's (2014: 632) analysis of George Cadbury (1839-1922) as one of "four leading British industrialists of the 19th and early 20th centuries," alongside Robert Owen (1771-1858), Titus Salt (1803-1876), and William Hesketh Lever (1851-1925), relies too heavily on hagiographies and company sponsored corporate histories as sources.

In an article that exceeds 20,000 words Parker (2014) gives no consideration for historiographical debate or conflicting historical interpretations of policies implemented by the firm of Cadbury in the early twentieth century. Although Parker lists more than 200 references, he does not cite books and articles on Cadbury that present an alternative perspective, and he conspicuously omits our own articles published in the leading journals for business history and organization studies that are derived from research on primary sources held in the company's archives. This provides us with an opportunity to critique the sources used for corporate history and to examine how its objectivism precludes methodological and historiographical debate (Rowlinson, Hassard, & Decker, 2014).

As a prelude in this short paper we identify four serious historiographical omissions in Parker's account of George Cadbury as a "CSR pioneer" (Parker, 2014: 634): first, although Parker discusses child labor extensively the contradictory role of Quaker employers in relation to the Factory Acts restricting the employment of children is not mentioned; second, the significance of major changes in

Quakerism during the late nineteenth century is not discussed; third, the evidence that Cadbury implemented significant elements of scientific management is not considered; and finally, perhaps most surprisingly in relation to CSR, the well-known controversy in the early twentieth century over Cadbury's use of slave grown cocoa is not even alluded to. We will highlight how the relevant historiography has been overlooked for each of these glaring omissions before considering the methodological implications for any parallels with contemporary CSR. For the sake of brevity and clarification in this short paper we will only cite references that Parker does not cite.

According to Isichei's (1970) authoritative account of *Victorian Quakers*: "No Quaker played a prominent part in the agitation for the limitation of factory hours. Where they appear in its history at all, it is almost always as its inveterate opponents" (Isichei, 1970: 247). Not surprisingly Marx derided the "pro-slavery" rebellion by employers against restrictions on the hours of work for women and young children in the Ten Hours Act of 1847. According to Marx the employers informed the factory inspectors that, "they would set themselves above the letter of the law, and reintroduce the old system on their own account ... Thus, among others, the philanthropist Ashworth, in a letter to Leonard Horner [a factory inspector] which is repulsive in its Quaker manner" (Marx, 1976: 400-401). In his search for eulogies to nineteenth century industrialists it is perhaps not surprising that Parker overlooked Marx, but the failure to consult Isichei (Isichei, 1970) is less excusable. Besides, the quotations above from Marx and Isichei both appear in Rowlinson and Hassard's (1993) article on the history of Cadbury's corporate culture. If Google Scholar is used to search for the word "Cadbury" in the title of an article then Rowlinson and Hassard's article comes up in the first ten results sorted by relevance (search conducted Nov 28th 2014). In fact it is the second article listed, after Child and Smith's (1987) highly cited article on organizational transformation at Cadbury, that deals with the company rather than the Cadbury Committee. Either Parker did not conduct a systematic literature review on the history of Cadbury, as would be expected for an article in any leading journal, or if he did conduct a proper literature search he must have chosen to ignore any references he found which offer an alternative interpretation to his own.

Rowlinson's (1998) extensive critique of the "historiography of Quakers as enlightened employers" (1998: 197) could equally well be applied to Parker's (2014) historiography of Quakers as "CSR pioneers," but Parker does not even countenance such a critique, let alone counter it. The title of Rowlinson's review, "Quaker Employers," alludes to John Child's (1964) earlier article "Quaker Employers and Industrial Relations," which Rowlinson takes issue with. It is worth repeating Rowlinson's (1998: 171) quote from *Capital* in order to consider the flaws in Parker's position:

At the beginning of June 1836, information reached the magistrates of Dewsbury (Yorkshire) that the owners of eight large mills in the neighbourhood of Batley had violated the Factory Act. Some of these gentlemen were accused of having kept five boys between 12 and 15 years of age at work from 6 a.m. on Friday to 4 p.m. on the following Saturday, not allowing them any respite except for meals and one hour for sleep at midnight. And these children had to do this ceaseless labour of 30 hours in the 'shoddy-hole', the name for the hole where the woollen rags are pulled to pieces, and where a dense atmosphere of dust, shreds, etc, forces even the adult worker to cover his mouth continually with handkerchiefs for the protection of his lungs! The accused gentlemen affirmed in lieu of taking an oath – as Quakers they were too scrupulously religious to take an oath – that they had, in their great compassion for the unhappy children, allowed them four hours for sleep, but the obstinate children absolutely would not go to bed. The Quaker gentlemen were fined £20. (Marx, 1976: 351-352 note 22)

Marx's ironic tone contrasts sharply with Parker's folksy religiosity, replete with Biblical quotations. If Parker were to include any hint of the continual accusations of hypocrisy that have been leveled at Quakers from the likes of Marx it would undermine the impression of industrial harmony that he incorporates uncritically from Quaker corporate history.

The problem for Parker is that if it was socially responsible for Robert Owen (1771-1858) to limit the hours of work for children (Parker, 2014: 640), then presumably it was socially irresponsible for Quaker industrialists to let children work beyond the legal limit. Parker's reference to "Quaker capitalists" (2014: 649) suggests that there was a degree of unity and continuity in their actions, which

derived from “Christian concepts of accountability to God” (2014: 643). Either the Quakers who opposed, or even flouted, the legislation restricting hours of work for children were not part of the benign “Quaker business lineage” that Parker (2014: 649) refers to, or else they were, as Marx described them “scrupulously religious”, but they interpreted their accountability to God in a different way to George Cadbury. This means that we cannot simply quote the Bible to explain the actions of Christian industrialists, we need to know how they interpreted the Bible to justify different forms of action in a various historical contexts.

Parker’s (2014) decision to rely on his own interpretation of quotes from the Bible, as if they are the timeless and incontrovertible word of God, rather than investigate how historical actors interpreted Biblical texts, leads to his second major omission of the historiography of Quakerism. In common with Walvin’s (1998; reviewed by Rowlinson, 1998) previous romanticized account of the Quakers’ influence on English economic and cultural life, Parker disregard’s Weber’s (1992) extended discussion of Quakers and the Protestant ethic. At least the business historian Jeremy (1988: 18) explained his reason for finding Weber unhelpful “in exploring the frontier between business and religion”, which is that Weber, along with Marx, constructs abstract “models” (Jeremy, 1990: 5). Parker (2014: 649), like Walvin, falls back on a prosaic default explanation for Quaker business success; being excluded from university, the professions, the military, or politics due to their faith: “Business and industry, activities neglected by the traditional ruling classes in Victorian Britain, were therefore their primary and highly successful vocation.” According to Isichei (1970: 183-184):

“A more important factor was that Victorian Quakerism sanctioned and indeed encouraged the pursuit of wealth. As in any Christian church at any time, there are plenty of warnings against the spiritual dangers of riches ... But in practice, wealthy Friends dominated the affairs of the Society. The rich philanthropist ... was held up as an example, and the bankrupt was punished with expulsion.”

More specifically in relation to social responsibility, during George Cadbury’s lifetime there was a shift from evangelicalism in the Society of Friends to a more liberal form of faith that we tend to associate with contemporary Quakers. A turning point came at the Quakers’ Yearly Meeting in 1888, when the British Society of

Friends changed forever. According to Kennedy's (2001: 118) history of Quakerism between 1860 and 1920, 'The Angry God of the Age of Atonement had been ushered out ... and replaced by a kinder, gentler but infinitely more elusive Deity.' Leading liberals in the Society of Friends resisted the increasing evangelicalism emanating from American Quakers. Liberal theology took hold within the British Society of Friends, especially amongst younger well-educated Quakers who sought to find an alternative to both agnosticism and evangelical fundamentalism. The welfare policies introduced by the Cadbury at Bournville in the early twentieth century can be located in the rational discourse of liberal theology, which eschewed nineteenth century evangelical philanthropy in favour of research and policies that would tackle the causes of poverty, and not merely ameliorate its consequences. Unfortunately Parker's cursory reading of selected published sources leads him to lump George Cadbury together with Owen, Salt, and Lever as being "driven by a moral sense of responsibility for those less fortunate than themselves" (Parker, 2014: 641).

One of the major contributions to the Society of Friends by the industrialist Joseph Rowntree (1836-1925) was to sponsor a seven-volume history of Quakerism, written by leading liberal thinkers who challenged what they saw as historical errors in evangelicalism (Kennedy, 2001: 197-198). It seems ironic that Parker more or less ignores the history of Quakerism in his effort to incorporate George Cadbury into a pantheon of religiously inspired pioneers of CSR, an effort that fits very well with the agenda for 21st century American evangelical bible-bashing in business.

Parker concedes that his analysis is limited to "the published evidence" regarding Owen, Salt, Cadbury and Lever (2014: 636), and in his conclusion he maintains that, "there is a clear need for our examining primary evidence from company archives, not only in terms of accounting records, but through seeking out records of correspondence, meeting minutes, business plans and the broad spectrum of both these industrialists' personal and their company records" (2014: 656). But in relation to Parker's third historiographical omission, regarding the evidence that Cadbury implemented significant elements of scientific management, his call for research in primary archival sources seems somewhat disingenuous. In relation to "worker productivity and business efficiency" at Cadbury, Parker (2014:

647-648) suggests that “any identification with scientific management arguably overstates the case.” He goes on to argue that, “Unlike the scientific management school, Owen, Salt, Lever and the Cadburys had philosophical and religious convictions that individuals must be treated with love and respect” (2014: 649).

George Cadbury’s son, Edward (1873-1948), a director of the firm, wrote an article arguing the “The Case Against Scientific Management,” published in the *Sociological Review* (Cadbury, 1915). But from research in the Cadbury archives Rowlinson (1988) has argued that the company did introduce significant elements of scientific management before the First World War, even hiring American consultants to revise piece rates. As a contemporary employer put it, ‘Mr Cadbury’s firm are carrying out scientific management in an admirable way, and Mr Taylor’s scheme appears to be somewhat the same idea under another name’ (quoted in Cadbury, 1915: 38). Rowlinson (1988) cites more than twenty primary documentary sources from the Cadbury archives, mostly Board Minutes or reports held in the Board Files from 1901 to 1914, such as the report on ‘Slow and Inefficient Girls’ submitted to the Board in 1905. Whether or not Cadbury can be said to have introduced Taylorism is a matter for historiographical debate. But for Parker, as for the Quaker corporate history that he cites, it is seemingly a foregone conclusion that the Cadburys could not have introduced scientific management because of their Quaker faith, therefore there is no need to consider any contradictory interpretations from primary sources.

Finally any organization that makes a public commitment to CSR risks accusations that it is not living up to its commitments. Parker’s (2014) final historiographical omission, of the well-known controversy over Cadbury’s use of slave grown cocoa, creates the impression that his CSR pioneers faced no such backlash. In September 1908 an Editorial in the *Standard* newspaper accused the Cadburys of hypocrisy, and the attack was directed at George Cadbury in person:

The white hands of the Bournville chocolate makers are helped by other unseen hands some thousands of miles away, black and brown hands, toiling in plantations, or hauling loads through swamp and forest. In the plenitude of his solicitude for his fellow creatures Mr Cadbury might have been expected to take some interest in the owners of those same grimed

African hands, whose toil is so essential to the beneficent and lucrative operations of Bournville. (Satre, 2005: 227-229)

The firm of Cadbury took action for libel and won, but to the Cadburys' obvious dismay the jury only awarded one farthing in damages.

In 1901 the Cadbury Board received information confirming that 'slavery, either total or partial' existed on the cocoa estates of the Portuguese island of Sao Thome, off the West coast of Africa (Rowlinson, 2002: 111-112). But the firm continued to buy cocoa from Sao Thome until 1909, when along with Fry and Rowntree it announced a boycott following the Portuguese government's failure to fulfill pledges to reform labour conditions. All of this is dealt with at length in the company sponsored publications that Parker does cite, as well as other contemporaneous sources, such as William Adlington Cadbury's (Cadbury, Burt, & Horton, 1910; also see Nevinson, 1906) study of *Labour in Portuguese West Africa*.

There has been a resurgence of historiographical interest in Cadbury and the libel case, partly because of its contemporary relevance for business ethics and CSR, as the title of Satre's book suggests: *Chocolate on Trial: Slavery, Politics and the Ethics of Business* (2005; Higgs, 2012: see Note on Sources pp.169-171 for an overview of the historiography). George Cadbury himself was called to the witness box to face tough questioning during the libel trial (Satre, 2005: 169), so it is difficult to understand how or why Parker decided to ignore the case.

Not surprisingly there is little discussion of slave-grown cocoa at Cadbury World, the highly successful visitor attraction that opened at Bournville in 1990 (Rowlinson, 2002). But we would expect a serious study of Cadbury and CSR go beyond the familiar Cadbury Story presented at Cadbury World, to explore the contradictions and historiographical debates that make contemporary parallels problematic. Unfortunately Parker's (2014) analysis of Cadbury recycles the same secondary published sources that have been used many times before to present the Quakers in general and the Cadburys in particular as unblemished paragons of virtue who have been successively claimed as forerunners for participative industrial relations, successful corporate cultures, and latterly CSR. The search for historical parallels for contemporary concepts is problematic because, as has happened Parker's argument for religiously inspired CSR, it tends to suppress critical historiographical debate (Tosh, 2008: 61) and preclude source criticism.

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